

UNITED STATES SENATOR • IOWA

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MEMORANDUM

TO: Reporters and Editors
FR: Jill Gerber, 202/224-6522
RE: prescription drug benefit
DA: Friday, June 8, 2001

The Congressional Budget Office today released cost estimates for several major approaches to adding a prescription drug benefit to Medicare. Sen. Chuck Grassley, ranking member of the Committee on Finance, favors concepts from the “Breaux-Frist II” approach, which would cost \$176 billion over 10 years, according to today’s estimate. In April, Grassley won passage of an amendment to the budget resolution to provide funding and maximum flexibility for lawmakers to craft a responsible Medicare reform and prescription drug proposal. Grassley’s amendment gives the chairman of the Budget Committee the ability to reallocate funds as necessary, beyond \$153 billion and not over \$300 billion over 10 years, toward any Medicare legislation the Finance Committee puts forth, as long as this legislation provides reforms to the Medicare program and improves access to prescription drugs.

Grassley made the following comment on today’s cost estimates:

“This is good news. The latest estimates show that we clearly can craft an affordable prescription drug benefit for all older Americans with the money set aside in the budget. The estimates affirm that competition and private sector tools are keys to ensuring that older Americans get the most bang for their buck in purchasing prescription drugs. At the same time, we must remember that there are other critical improvements to Medicare that are long overdue. For example, Medicare beneficiaries today have no limit on their out-of-pocket expenses for current Medicare benefits -- the kind of protection that most Americans with private insurance do have. So I’m very hopeful that both parties will be able to come together this year to make a number of significant improvements to Medicare for our seniors.”